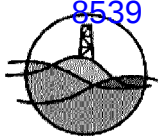
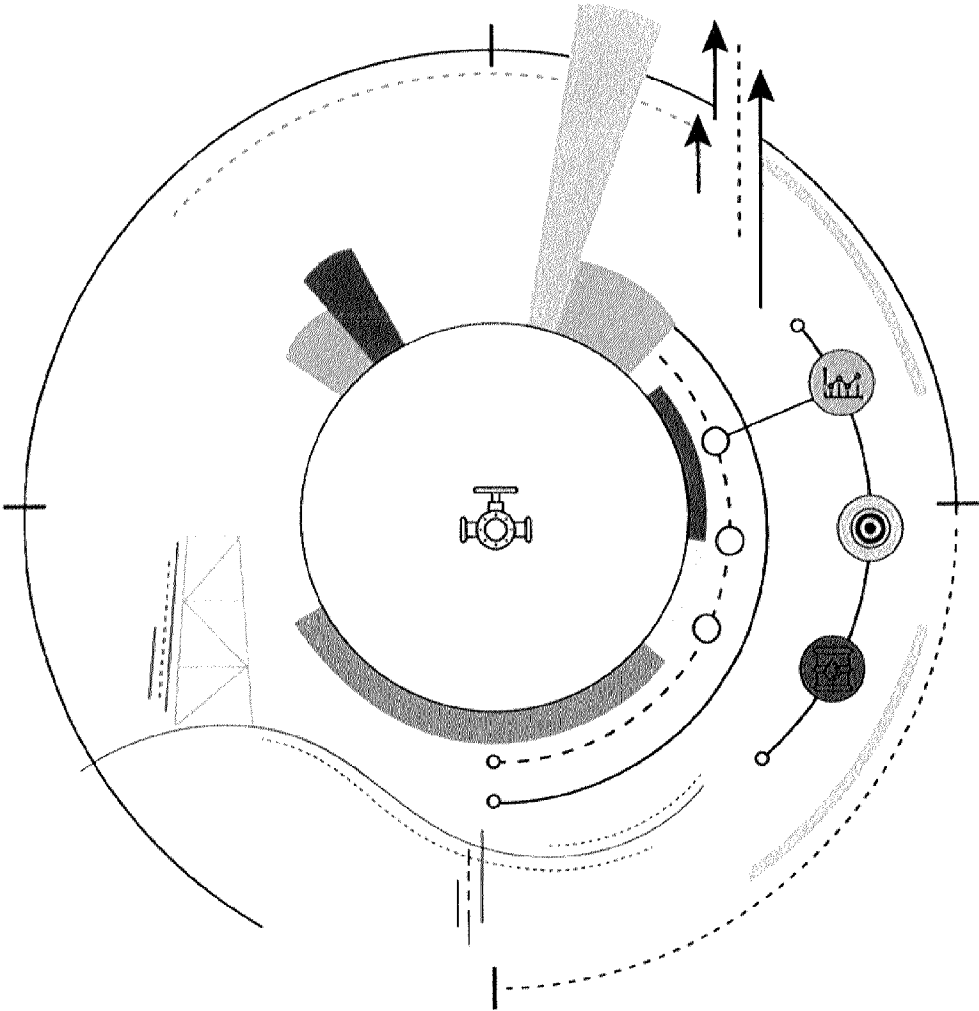


EXHIBIT 11



DIVERSIFIED GAS & OIL
P L C



Interim Report 2018

Note 15 - Decommissioning Liability

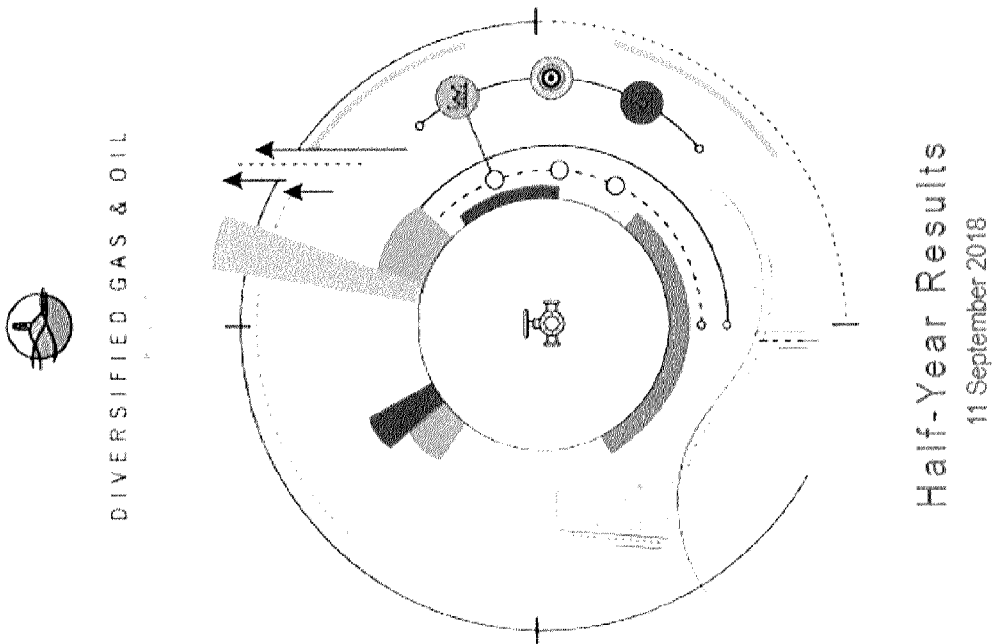
The Company records a liability for future cost of decommissioning production facilities and pipelines. The decommissioning liability represents the present value of decommissioning costs relating to oil and gas properties, which the Company expects to incur over the long producing life of its wells, presently estimated through to 2048 when the Company expects its producing oil and gas properties to reach the end of their economic lives.

As discussed more fully in Note 2, these liabilities represent the Directors' best estimates of the future obligation. Directors' assumptions are based on the current economic environment, and represent what they believe is a reasonable basis upon which to estimate the future liability. The Directors review these estimates regularly and adjust for any identified material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices at the time the decommissioning services are performed. Furthermore, the timing of decommissioning will vary depending on when the fields ceases to produce economically, which makes the determination dependent upon future oil and gas prices, which are inherently uncertain.

The discount rate and the cost inflation rate used in the calculation of the decommissioning liability were 8.0% and 3.0%, respectively as at each of the periods presented. The table below summarizes the activity for the Company's decommissioning liability:

	Unaudited Six months to 30 June 2018	(Restated) Unaudited Six months to 30 June 2017	(Restated) Audited Year ended 31 December 2017
Balance at 1 January	\$ 35,448	\$ 12,265	\$ 12,265
Additions ^a	34,784	18,780	21,497
Accretion ^a	\$ 2,158	585	1,764
Disposals	—	—	(78)
Balance at 30 June	\$ 72,390	\$ 31,630	\$ 35,448

a) See Note 9 for more information about the Company's acquisitions.





ESTIMATED PLUGGING PROGRAM

Commentary

- DGO has or is negotiating firm multi-year plugging agreements with the states in which it operates.
 - ▶ Years 1-5 assume 70 wells plugged per year
 - ▶ Years 6-15 assume 100 wells plugged per year
- These agreements eliminate variability and the risk of the liability being pulled forward.
 - ▶ ~33% of DGO's P&A PV10% capture in years 1 - 15
- For modeling purposes, DGO assumes a linear increase in wells plugged per year between years 15 - 30
 - ▶ Thereafter, the company anticipates plugging ~1,000 per year

Cumulative PV10% Graph

